

Date of Hearing: April 6, 2022

ASSEMBLY COMMITTEE ON LOCAL GOVERNMENT

Cecilia Aguiar-Curry, Chair

AB 2015 (Cooley) – As Amended March 21, 2022

SUBJECT: Sacramento Regional Transit District: board of directors: voting procedures: contracting authority: retirement board.

SUMMARY: Makes changes to the Sacramento Regional Transit District (SacRT) Act. Specifically, **this bill:**

- 1) Increases, from \$100,000 to \$125,000, the bid threshold for SacRT's purchase of supplies, equipment, and materials.
- 2) Specifies that, for the purchase of supplies, equipment, or materials that exceeds \$3,000, but does not exceed \$125,000, SacRT shall obtain, to the extent practicable, a minimum of three quotations, either written or oral, which permit prices and other terms to be compared.
- 3) Specifies that all official acts of the SacRT Board shall require the affirmative vote of a majority of all members of the Board, unless a higher threshold is required by law.
- 4) Repeals obsolete language related to existing transit systems.
- 5) Specifies that if SacRT establishes a retirement board for its retirement system, board members and employees of the district may serve on the retirement board.
- 6) Contains other technical and conforming changes.

EXISTING LAW: Establishes the SacRT Act, which governs the powers and functions of SacRT; establishes SacRT's territory, board of directors, and planning duties; and, authorizes SacRT to issue general obligation bonds and revenue bonds, as specified.

FISCAL EFFECT: This bill is keyed fiscal and contains a state mandated local program.

COMMENTS:

- 1) **Sacramento Regional Transit District.** SacRT was established by SB 1477 (Rodda), Chapter 1374, Statutes of 1971. SacRT serves citizens in the County of Sacramento and the Cities of Sacramento, Citrus Heights, Elk Grove, Folsom, and Rancho Cordova, by operating over 80 bus routes and 43 miles of light rail across an approximately 400 square-mile service area, among other services.

SacRT is governed by an 11-member Board of Directors comprised of directors that are appointed by the different jurisdictions: three members by Sacramento County, four members by the City of Sacramento, and one member each from the cities of Citrus Heights, Elk Grove, Folsom, and Rancho Cordova.

- 2) **Bill Summary and Author's Statement.** This bill increases, from \$100,000 to \$125,000, the bid threshold for SacRT's purchase of supplies, equipment, and materials. This bill also specifies that if SacRT establishes a retirement board for the retirement system, board

members and employees of the district may serve on its retirement board, and deletes obsolete language in the SacRT Act. SacRT is the sponsor of this bill.

According to the author, “AB 1196 (Cooley, Chapter 272, Statutes of 2021) reorganized Sacramento Regional Transit District’s (SacRT) board to a one-person one-vote methodology after the integration of Elk Grove into the district. Since then, SacRT’s internal counsel has identified ambiguities resulting from the change in board structure. This bill clarifies definitions pertaining to appointments and actions of the board and removes obsolete provisions due to the full integration of Elk Grove.

“Further, this bill aims to improve operational efficiency by increasing the formal solicitation threshold for supplies into alignment with the current services threshold. Finally, this bill authorizes SacRT’s historical practice of allowing board members and district employees to serve on the SacRT Retirement Board.”

- 3) **Previous Legislation.** AB 1196 (Cooley), Chapter 272, Statutes of 2021, changed the voting structure for SacRT from a weighted voting structure to a “one member, one vote” voting structure. This bill also removed the code sections pertaining to the weighted voting structure and made other technical and clarifying changes.

AB 709 (McCarty), Chapter 522, Statutes of 2018, made numerous changes to the SacRT Act, including clarifying SacRT’s geographic area and adding a one-eighth of one percent sales tax-rate increment to SacRT’s taxation authority.

- 4) **Arguments in Support.** According to the sponsors, “SacRT has made many strides in streamlining our processes and identifying business efficiencies in recent years. AB 2015 affects 5 sections of the Enabling Act that are either obsolete, contain ambiguities or that require modification to improve business processes at SacRT. We thank you for supporting legislation that will improve the way we deliver public transportation to the Sacramento Community.”
- 5) **Arguments in Opposition.** None on file.
- 6) **Double-Referral.** This bill is double-referred to the Public Employment and Retirement Committee.

REGISTERED SUPPORT / OPPOSITION:

Support

SacRT [SPONSOR]

Opposition

None on file

Analysis Prepared by: Jimmy MacDonald / L. GOV. / (916) 319-3958